

TREASURY DEPARTMENT

WASHINGTON, D.C.



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FOR IMMEDIATE RELEASE

TREASURY TO REDEEM SILVER CERTIFICATES IN BULLION INSTEAD OF SILVER DOLLARS

Treasury Secretary Douglas Dillon tonight announced that silver certificates will henceforth be redeemed in silver bullion only.

The Secretary explained that Treasury's dwindling stock of silver dollars has been channeled to the greatest extent feasible to certain Western states where some circulation of silver dollars has been traditional. However, heavy drains by coin collectors and dealers have now reduced the Treasury's stock of silver dollars, which was about 28 million on January 1, to approximately 3 million, virtually all of which have special numismatic value. These silver dollars cannot be equitably distributed by redeeming silver certificates. Moreover, their release would not serve any purpose in adding to the supply of circulating coins, since these silver dollars with special numismatic value would be entirely absorbed by coin dealers and collectors.

In providing that silver certificates will now be redeemed only in silver bullion, the Secretary of the Treasury has exercised an option provided in legislation passed by Congress last June. Holders of silver certificates may redeem them for silver bullion at the monetary value of \$1.292929292 an ounce at the New York and San Francisco Assay Offices, not at the Treasury. Thus, holders of silver certificates may continue to exercise their legal right to demand an amount of silver precisely equal to the silver content of a standard silver dollar.

While silver dollars have not been minted since 1935, nearly one-half billion of these coins have been put into circulation in the last hundred years. These silver dollars will continue to circulate freely alongside their paper money counterparts. The Congress has been considering appropriations that would provide for further coinage of silver dollars. Meanwhile, mint facilities are currently being fully utilized in supplying the subsidiary and minor coins that serve an essential function as a means of payment in all parts of the country, and for which there are no substitutes.

The eventual disposition of the existing small Treasury stocks of silver dollars will be carefully considered in the light of existing circumstances at a later date.

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